

Joint Core Information

Every employer who contributes a portion of the benefits premiums and who may employ both spouses under the policy has dealt with this issue. Some treat each employee separately and some (like the state) structure the benefit to provide an advantage to recognize the family structure in the rates.

The State developed the joint core concept several years ago as a rating solution. Since we provide a defined contribution toward benefits that is equal for every employee regardless of family status, we wanted to give a break to families where both worked for the State. Below is a table that shows how the rates would work out if the State did not have a joint core structure versus the joint core using the **2008** premiums:

	Traditional Rate	Dental	Basic Life	Total Core	State Share	Out of Pocket	Deductible	Annual out of pocket
<u>Without Joint Core</u>								
Employee Only	\$557.00	\$31.00	\$1.90	\$589.90	\$590.00	\$ -.10	\$550.00	\$2,500.00
Employee + Children	\$662.00	\$46.00	\$1.90	\$709.90	\$590.00	\$119.90	\$1,650.00	\$5,000.00
Total	\$1,219.00	\$77.00	\$3.80	\$1,299.80	\$1,180.00	\$119.80	\$2,200.00	\$7,500.00
<u>With Joint Core</u>								
Joint Core Primary	\$598.00	\$36.00	\$1.90	\$635.90	\$590.00	\$45.90	\$1,650.00	\$5,000.00
Joint Core Partner	\$598.00	\$36.00	\$1.90	\$635.90	\$590.00	\$45.90		
Total	\$1,196.00	\$72.00	\$3.80	\$1,271.80	\$1,180.00	\$91.80	\$1,650.00	\$5,000.00

As you can see, the joint core rate results in lower out of pocket cost for a family than if they were separate (\$28/mo) with the out of pocket costs being applied evenly to both spouses.

However, the other part that employees frequently forget is that under joint core, the family is allowed to meet the family deductible and maximum out of pocket (moop). If you look at the example in the chart without joint core, the employee would have to meet the individual deductible and moop of AND the other spouse and kids would have to meet the family deductible and moop. Essentially by going joint core you do not have to meet the individual costs, this would save the joint core members \$550.00 in deductible and \$2500.00 in moop. This is in addition to the premium savings.

We are also asked why we don't allow families to enroll in the family rate and apply both state share amounts. The state share is intended to pay for the employee's coverage and the excess is used to subsidize family (i.e. dependent) coverage as well as retiree coverage. If we applied the family rate and applied both state shares, the subsidy on behalf of families where both employees work for the state would be substantially greater than that of any other subsidy for other groups such as those who cover their families or retirees and would create a substantial disparity between those families with both spouses working for the state vs. just one spouse.